view of this, it is not possible to indicate any specific time frame for setting up of new LPG distributorships. Government has advised OMCs to concentrate their future expansion plans in semi-urban and rural areas in the country.

As on 1.1.2006, OMCs had set up 1063 and 1163 distributorships in rural and urban-rural areas respectively in the country. OMCs have taken steps such as introducing 5 kg cylinders and setting up community kitchens to enhance the use of LPG in uncovered areas. OMCs have also finalized a common industry marketing plan covering 791 locations for setting up LPG distributorships mainly in rural and urban-rural (semi-urban) locations.

Introduction of 5 KG Cylinders

† 2331.SHRIMATI SUSHMA SWARAJ: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have decided to introduce 5 kg. cylinders keeping in view the difficulty in carrying load in hilly and inaccessible areas;

(b) if so, whether the light weight cylinders had been introduced; and

(c) whether such cylinders have proved effective and they are still in use or their use has been discontinued?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) to (c) Yes, Sir. Public Sector Oil Marketing Companies (OMCs) have introduced 5 Kg domestic LPG cylinders with effect from August, 2002 in order to meet the demand of low-income groups in urban, semi-urban and rural pockets and also extend the reach of LPG to the hilly terrain and interior areas on account of convenience in transportation. 5 kg cylinders are still in use, and as on 1.1.2006, there are 2.98 lakh LPG customers of such cylinders.

Distribution of Kerosene

2332. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government propose to evolve a policy for the distribution of kerosene to the poor sections of the society;

† Original notice of the question was received in Hindi.

(b) whether Government propose to make any changes in the price structure;

(c) whether Government have identified any loopholes in the existing system; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Kerosene is a subsidized product, allocated to the States/UTs for distribution under the Public Distribution System (PDS). Effective 2nd October 2005, Government lanuched the Jan Kerosene Pariyojana as a pilot project in 413 blocks covering 23 States and one Union Territory for a period of six months with a view to strengthen and streamline the infrastructure for kerosene distribution and to involve the Gram Sabhas and Gram Panchayats and State Panchayati Raj Institutions in the supervision of PDS kerosene distribution, so as to ensure that entitled beneficiaries actually receive their entitlement and diversion to adulteration and black-marketing is capped, reversed and eventually eliminated.

(b) In order to formulate a long-term pricing policy, the Government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices, keeping in view the financial position of the oil companies, the investment needed in the sector, the need to conserve petroleum products, and establishing a transparent mechanism for the autonomous adjustment of prices by the oil companies. The Committee submitted its report on 17.2.2006. The Committee has *inter alia* recommended to restrict the distribution of subsidized kerosene to BPL families only. The report of the Committee is being examined by Government.

(c) and (d) With a view to assessing the genuine demand requirement of kerosene in different States/UTs, the Government commissioned a comprehensive study through the National Council of Applied Economic Research (NCAER). As per NCAER report, it is estimated that there is a diversion of 38.6% of PDS kerosene in the country, including 18.1% diversion for non-household purposes and 17.9% diversion of kerosene from PDS to open market.